



**HONESTY**

**EFFICIENCY**

**ECONOMY**

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# **North-West Government**

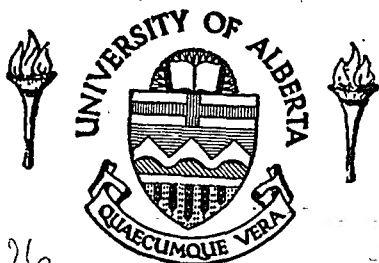
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**A BRIEF REVIEW**

**OF**

**THE POLITICAL SITUATION**

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# INTRODUCTORY

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The Fourth Legislature in the history of the Territories will expire by the effluxion of time during the month of December, 1902, but the electors will probably be called upon before that date to exercise their franchise in electing representatives to serve them for a further parliamentary term. The Territories have now arrived at an important epoch in the history of the country,—undoubtedly the most critical point in their political existence thus far; and it behooves every loyal citizen, as a consequence, to weigh carefully the issues affecting this great western land, as they are placed before him in the forthcoming election campaign. The heart of the West is throbbing with hope for the future; an era of prosperity has dawned, which gives promise of happy homes and cheerful hearths throughout the length and breadth of the land; let us, therefore, "reason together," that we make no mistake and retard this great movement of progress and prosperity, but the rather, help it onward by casting our franchise for clean, progressive administration of our public affairs.

In appealing to the electorate upon the present occasion, Mr. Haultain is able to point with pride to his record as chief administrator of the Territories for more than ten years. It is not necessary here to recount in detail the valued services he has rendered the North-West. During the years of its infant growth, his Administrations have nursed its interests by wise and useful legislation. Step by step, a measure of self-government has been wrung from the parent authorities, until now the Great West stands on the brink of full constitutional government, which will bring with it the same powers and privileges as are possessed by our sister provinces from the Atlantic to the Pacific. This growth in population and material advancement have been evolved under the guiding hand of the present Government leader, and the electors are invited to consider the wisdom of renewing their confidence in his Administration, now that the hour approaches when the new constitutional status is to be assumed.

# The Election Issue

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In succeeding pages of this pamphlet, the work accomplished by the Administration in carrying on the affairs of the country is reviewed, which the electors are invited to peruse, and to "read, mark, learn, and inwardly digest." It is submitted that on their administrative record,—on their record of having provided clean, economical government, in the interest of the people, they are entitled to a renewal of confidence. "By their works ye shall know them." It must be remembered that conditions in a comparatively new country of vast areas, do not permit of facilities for carrying on government along the same perfected lines as in the older Provinces, where the conditions have become settled and permanent, and the country is populated by people familiar from their youth up with governmental institutions and methods. In a new country, with a cosmopolitan population and limited revenue, conditions are different, and tentative expedients have frequently to be improvised in order to meet the immediate necessities of the country. As time goes on and conditions change, our governmental system will be perfected to suit the conditions which then exist. Up to the present, however, the Administration has grappled with the problems that suggest themselves, and have, it is submitted, succeeded in a very marked degree in meeting the public necessities. If it be admitted that they have accomplished even a degree of success, it is submitted that the Administration is entitled to a renewal of confidence in order that the good work may be continued and our system perfected as future circumstances warrant.

But the issue in the forthcoming campaign will be, not so much what the Government has accomplished—although no Government could have accomplished more, with their prescribed powers and limited revenues; but rather, what the Government will be able to accomplish in the future, under the

anticipated constitutional status, which, there is every reason to expect, will be assumed in the near future. The foundation of that future status has already been laid; it has been constructed upon the solid ground of the inalienable rights of the people of the Territories, and the corner stone of what will prove to be our national edifice, will be inscribed with the name of the present Administration. Our nation-building will be continued the moment the Federal authorities provide the necessary material. In short, the main issue in the pending campaign will be the Government's position in regard to the endowment of the Territories with provincial institutions—fully clothed with powers which will permit our advancement as the brightest Provincial star in the Dominion constellation.

What is this Provincial issue?

For many years the progress of the West was not so marked, and primitive methods were possible in administering our public affairs. But conditions have now changed. For several years the country has been progressing by leaps and bounds; and, after a futile attempt to carry on our public business, the Administration has concluded that it is impossible to keep pace with the growing times, tied to the apron strings of the Government at Ottawa. Our political growth has become so marked that they consider the time has come to lay aside our swaddling clothes and to assume our true position as an adult member of the Dominion family circle,—an adult in every sense of the term, an adult still capable of such growth and expansion as will enable us to exert a powerful influence upon the parent authorities at Ottawa.

In the belief that we have outgrown our prescribed conditions, and are entitled to take our stand in the row of Provinces in Canada, the Administration some time ago approached the Federal authorities with a view to securing the enlarged responsibilities. The representations, informal at first, developed into actual negotiations, and the Legislative Assembly in 1900 asked that "accounts be taken and enquiries made," with a view to creating the Territories into a Province. The Federal Government suggested a conference between representatives of the Territorial and Dominion Governments, which was held early in 1902, the Minister of the Interior advancing the opinion in his correspondence, on behalf of the

Dominion Government, that there was "very much in the suggestion" as to the "necessity of a change in the constitution and financial condition of the Territories." He was prepared to say "that the time has arrived when the question of organizing the Territories on the Provincial basis ought to be the subject of full consideration," and intimated that the Government would give "mature and careful consideration of the various and important subjects which will have to be debated and settled." During the interval between the conferences, the Administration presented their "case" in writing,—a lengthy document evincing the greatest skill and care in its preparation, and one which is likely to prove a most important State document in the history of the Territories.

The present necessity for relief from embarrassing financial conditions, together with the serious manner in which the Federal Government took up the consideration of the question, naturally led the Government and the people of the Territories to hope, and expect, that something was going to be done, and that the situation was to be relieved by the assumption of the Provincial status. The Administration had done its duty. Its case had been prepared, and the formal conferences held, at the request of the Federal Government. They could do no more. They awaited the decision with keen expectancy. Up to this point everything pointed to business.

Then came the "bolt from the blue." The Dominion Government dismissed the whole question in the course of a brief letter from the Minister of the Interior, which gave three—excuses, shall they be called?—for this somewhat strange decision :

(a) The population was yet sparse (although our present population is ten times as great as that of Manitoba when she became a Province, and larger than the present population of Prince Edward Island or of British Columbia) ;

(b) That the rapid increase of population will alter the conditions to be dealt with (which, by the way, is the very reason the administration asked for the proposed enlargement of powers; and who is there but expects that for fifty years to come "the increase in population" will continue to "alter the conditions") ;



(c) That there are divergencies of opinion as to one or more Provinces (a divergence which will exist, no matter when Provincial Autonomy is granted).

"So that here we find the Federal authorities arranging for formal conferences, asking for the presentation in writing of the formal "case," admitting that "there is very much" in the suggestion of the "necessity for a change," and that the "time has arrived to consider the question,"—and yet dismissing the whole matter with the flimsy excuses above stated, and continuing at the same time to flood this country with settlers by the thousand without giving us the enlarged powers so necessary to provide roads and bridges and other facilities for transportation, whereby they may carry on their business.

What can the Government or the people of the Territories do, under the circumstances? We are powerless to help ourselves. Our main revenues must continue to come from Ottawa, and they have not been supplemented to permit our advancing with the growth of the country and its population. Are we to fold our arms and calmly submit to a continuation of the restrictions upon our powers, and undergo privations, simply to indulge the whim of the Federal Government, which has so lightly disposed of this whole question, so pregnant with importance to us? That is not the policy of the Territorial Government. Their appreciation of their duty is not to accept any bone that is contemptuously thrown to them. They represent the people of the Territories, and, as such, have made demands which they consider should form the basis of the Provincial establishment. It will be their first duty to continue to press for immediate relief from present conditions; and when the time arrives for terms to be considered, they are prepared to press for the rights of their constituents along the lines of the formal case which has already been presented.

The Government, however, is only a unit, and cannot accomplish much of itself. It must be supported and backed up by a pronounced public opinion, expressed in no uncertain way. The electors are invited to peruse the terms which have been demanded as the basis of our Provincial status, which terms are elaborated further on in these pages; and if they approve of those demands, let them express that ap-

proval by supporting candidates who will come to the Legislature prepared to strengthen the hands of the Administration in pressing for them. Let differences of opinion on matters of detail be forgotten for the moment, in the presence of this great question, so fraught with importance to the West for all time to come. United we stand, divided we fall. The present Administration has conducted the negotiations thus far; the members of it are thoroughly conversant with all the details bearing on the question. Abraham Lincoln, the great President of the American Union, once offered the sage advice that "it was a poor time to swap horses when crossing a stream." We are now practically in the act of crossing the stream into the Provincial status, and to make a change in the administrative agency which has brought us to our present position, would be a questionable proceeding, fraught with great danger to the welfare of the country.

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## Finances

In directing attention to the finances of the Territories covering the period of the present Legislature, it is not necessary to enter into details at this stage, as the subject will be more fully dealt with in succeeding pages, in the references to the workings of the various Departments of the public service. However, it might be premised, at the outset, that our general revenue is derived from two sources, viz., the annual grant received from the Federal Government, and the domestic revenue derived from liquor and other licenses, and local sources. In addition to these revenues, which are administered by the Treasury Department, there are the taxes collected in Local Improvement Districts, which do not enter into the general revenue, but are disbursed in the respective Districts in which they are collected. They are duly accounted for, however, in the Public Accounts, which are laid on the table of the House at each Session.

Dealing first with the question of general revenue, the following table shows the amount of funds at the disposal of the Government in the years named:

## GENERAL REVENUE.

FISCAL YEAR	FROM THE DOMINION	FROM LOCAL SOURCES	TOTAL AVAIL- ABLE REVENUE
1897-98 (16 months)	\$282,979.00	\$196,770.34	\$479,749.34
1899 . . . . .	282,979.00	62,108.27	345,087.27
1900 . . . . .	403,979.00	63,206.30	467,185.30
1901 . . . . .	472,302.43	72,912.71	545,215.14

The inflation in the Federal grant for 1900 is largely due to special grants obtained for the purpose of renewing public works and bridges which were destroyed throughout the country by devastating floods; the increase in the local revenues during 1897-98 being caused by the receipts of liquor licenses in the Yukon Territory, the administration of which has since been taken over by the Dominion authorities.

A glance at the figures will show that our revenues are remaining practically stationary from year to year, while the demands of the country are increasing by leaps and bounds, in keeping with the ever-increasing tide of immigration which is now flowing into the Territories. The Federal grant is fixed from year to year by the parent authorities at Ottawa, and is beyond our control to increase; while, with our present constitutional powers, limited and defined as they are, we are prevented from reaching out and developing our local revenues, or exercising borrowing powers in order to extend over a period of years the payment for public works and other permanent improvements, the expense of which has now to be defrayed out of current revenue. The hands of the Government are therefore manacled, so far as our revenues are concerned, until such times as the Dominion authorities see fit to adequately supplement them, or grant us enlarged Provincial powers to enable us to administer our own affairs as we consider in the best interests of the country. Until such times as one or other of these concessions is obtained, the great West will be compelled to mark time in the onward movement of progress and prosperity which has now so auspiciously begun.

The strenuous efforts put forth by Mr. Haultain's Administration to have the claims of the Territories recognized along these lines have already been referred to, and are fully dealt with later on in these pages; suffice it to say just here that in season and out of season, on the platform, by correspondence and personal interview, those claims have been urgently pressed and our just rights demanded.

## EXPENDITURE.

The expenditure of the public funds of the Territories will be considered in closer detail when the services performed by the various Departments come under review. The great ~~spending agencies are the Public Works and Education Departments,~~ as the following table would indicate:

### *Expenditure :*

YEAR	TOTAL EXPENDITURE	EXPENDED FOR PUBLIC WORKS	EXPENDED FOR EDUCATION
1897-98 (16 months)	\$479,749.34	\$192,075.80	\$163,187.47
1899	345,087.27	144,828.64	158,625.33
1900	467,185.30	175,826.10	187,741.71
1901	545,215.14	238,482.02	183,389.86

It will therefore be observed that during each of the past four years the amounts disbursed for Public Works and Education have been over 75 per cent. of the total revenues; the balance of the expenditures being for purposes of Agriculture, Legislation, Civil Government, and administration generally. In a comparatively new country such as the Territories, it may be taken for granted that the first consideration of the people should be for a means of communication to enable them to carry on their ordinary avocations; and, as a second consideration, the providing of education for the rising generation, who are the hope of the country. The strongest possible evidence that our resources have been carefully husbanded, and our public monies judiciously and economically disbursed by the present Administration, is the fact that

although these expenditures are subjected to the closest scrutiny and inspection at each Session of the Legislature, no charge of extravagance, reckless or improper expenditure has been successfully maintained. It is with considerable pride, therefore, that the Government can so justly claim to have given the people a clean administration of public funds, wholly freed from charges of dishonesty and corruption, which are so general throughout the political world to-day. Contrast, if you will, this satisfactory state of affairs in the Territories with the conditions that rule in almost every Province in the Dominion, where charges of corruption and double-dealing—~~whether justly or unjustly~~—are constantly bandied about in the press and on the public platform. The Government of Mr. Haultain, therefore, confidently appeals to the electorate on their clean financial record, and asks to have their hands strengthened in their efforts and determination to continue an honest and efficient administration of the public funds.

## Legislation

It should be borne in mind that although our revenues are prescribed by reason of limited constitutional powers, the expense of the legal machinery necessary to govern the country to-day is, perhaps, almost as great as it will be five years hence, when our population will be, as we all hope, doubled. Realising that wise and equitable laws are the basis of all liberty, and must be the sound and sure foundation upon which our national fabric must be erected, the Haultain Administration has devoted to this department of the public service, unstinted energy, in order to fit our legislation to the special conditions and requirements of the West. During recent years, many useful acts of legislation have been placed upon the statute book, and the foundation of our legal system may now be said to have been well and truly laid. The task involved in preparing this Legislation has been no sinecure. It has been urged by some that the present Administration has been too conservative in promoting legislation to keep pace

with the rapid development of the country; but the facts speak for themselves. The volume of the public legislation passed at the Session of 1901 comprises 287 pages; that of Manitoba Legislature, 240 pages; Ontario, 211 pages, the Session lasting 11 weeks; and the Dominion House, 178 pages, the Session lasting 14 weeks. So that, so far as volume is concerned, the record of the Territorial Government easily leads the van. Volume is not everything, however; ~~the utility of our laws must be the first consideration,~~ followed by a strict and impartial enforcement of them. The Haultain Administration has not only put upon the statute book wise and useful legislation, but has never hesitated in enforcing it to the letter. This has resulted in a conflict with some of the richest and most powerful corporations in Canada. The Government did not shirk its responsibility; but courageously entered the lists, and by appealing to the courts of the land, compelled these great interests to come down upon the same level as the humblest settler, and pay equal tribute towards conducting the affairs of the Territories. It should be satisfactory to know, therefore, that our Government has legislated for the welfare of all classes in the community, large and small, rich and poor, without fear, favor or affection, and has not swerved from the path of duty in enforcing that legislation. A reference to some of the legislation for which the Government is entitled to credit, is apropos.

### **The Hudson's Bay Co. Litigation.**

The Government's policy, adopted in 1899, of establishing large Local Improvement Districts for the carrying on of necessary public works and improvements to enable the settlers to reach their market centres, required all land-owners to pay taxes at the rate of \$2 per quarter section of 160 acres. Owing to the sparsely settled condition of some parts of the country, the bulk of the lands are held by the large land corporations; nevertheless, here and there, a settler struggled along in his efforts to build a home for himself upon the prairie. The taxes he was called upon to pay were not large—and yet, perhaps, were larger to him than the amount payable by the land companies would be to them,

with their vast resources of capital and influence. Nevertheless, he paid them without protest, and continued on in his pioneer work of developing the country. The land companies, however, were not so patriotic. They refused to pay one dollar of taxation, and were financially in a position to appeal to the courts in an attempt to resist the demand. They set up all manner of defences as to why they should not contribute their just share. ~~The net result of the situation was that~~ the settler was the only one who was paying taxes, and every dollar he paid, every hard day's labor he gave to his farm, was so much contributed to the building of roads and bridges and fitting the country for settlement. This all inured to the benefit of the land companies, who owned large areas of land on every side of him, enhancing the value of those lands, and creating a demand for them; while the companies paid no share of the cost of these advantages. The companies were seemingly quite prepared to receive gratuitously the benefit of the settler's toil, and rest in their affluence until such times as the land raised in price sufficient to warrant the payment of handsome dividends to their stock-holders, many of whom were residents of far-off lands.

The injustice of the situation was apparent, and the settler did not appeal in vain to the Government, when he asked that equal rights be meted out to all alike. Mr. Haultain realized that this question had to be fought—and fought to a finish—and lost no time in taking up the gauntlet. In March, 1900, eleven writs were issued by the Government against the Hudson's Bay Company to enforce payment of the taxes in the respective districts in which they were levied.

In making this test case, the Government did not select a small company which would be likely to weaken, but on the contrary, brought action against the Hudson's Bay Company, one of the wealthiest and most powerful land companies in the world. Their acres—numbered by millions, for they originally owned one-twentieth of the land in the Territories south of the Saskatchewan river—are spread over the length and breadth of the country, and it is generally conceded to be a fact that this Company hold their lands at higher prices than other Companies, and keep advancing them as the development of the country proceeds. A Company, therefore, which

by their manner of doing business, made no secret of their policy to take advantage of the enhanced value of their properties which the work of the settler was giving to them, could not reasonably complain when it was selected as the defendant in the test case. The Company defended the action on technical grounds as to the manner of creating the districts and the assessments, etc., and also on the plea that under the Deed of Surrender of Rupert's Land, which was ratified by the Imperial Parliament, that they were not to be subjected to exceptional taxation; and they pleaded that the imposition of local improvement taxes was exceptional taxation inasmuch as they were, in many districts, practically the only landowners. The Government's claim prevailed in the several Courts in which the case was heard; then the Company capitulated, and paid over in settlement, the sum of \$30,000 in cash, and agreed to pay future assessments upon their lands without recourse to litigation. The taxes payable by this Company alone will amount to about \$31,000 in 1902 and in future years.

It has been urged by some that the compromise of this litigation, which resulted in the acceptance of a smaller sum than the Government contended was righteously due, was an unwarranted sacrifice, and involved injustice to the settler, who was compelled to pay his taxes in full. A consideration of the circumstances of the case, however, do not justify this conclusion. The Company was about to carry the case to the Supreme Court of Canada, and irrespective of what the decision of that body might be, in all human probability the case would not have stopped short of the Privy Council in England. Although the Government's argument had prevailed in the lower courts, some of the judges dissented from the finding, and a degree of uncertainty thereby surrounded the case. The Government felt sure of their ground, not only on the merits of the case, but by the further reason of the so-called retroactive legislation introduced at the Session of 1901; nevertheless, they could not shut their eyes to the general uncertainty of law and the possibility of the Canadian Supreme Court and the English Judiciary taking a view contrary to their contention. The issue was a weighty one, and involved the question of taxation of vast areas of land for all time to come. The Company had set up the contention



that they were not entitled to be taxed at all, and if they succeeded on this branch of the case in the higher courts, the Territories would be in a very unfortunate position for all time—not only as regards Hudson's Bay Company lands, but as regards the lands of various other Companies which were awaiting the decision in this case before themselves deciding to be bound by the legislation. The fact was, the whole principle of the country's right to levy taxation at all against such lands, was at stake. Then, again, the funds were badly needed. Public works in many districts were being held in abeyance for lack of funds, and the people were suffering great hardships for want of new roads and bridges, for which money was not available. Had the case not been compromised these hardships would have continued for a year or two, even if the Government finally succeeded in the courts.

And what if they had not finally succeeded ?

The people would have to patiently bear those hardships for years, until such times as the country had obtained Provincial powers, which would enable the money to be raised for such requirements. The enormous costs in carrying a case to the Supreme Court of Canada, and to the Privy Council, were also a consideration not to be lost sight of. Under the circumstances, therefore, any private litigant possessing a grain of common sense, would have accepted a fair proposition for settlement; and the Government followed the dictates of common sense in taking this view. Not only did they secure the immediate payment of three-fifths of the amount claimed, thus enabling the pressing public works and improvements to be proceeded with at once; but the right to tax for all time to come was conceded,—which concession took the ground from under the other Companies which were resisting payment, and forced them to capitulate. The hearty co-operation of this great Company in paying taxation, and thereby contributing to the building up of the country, was secured; the costs, which would otherwise have been frittered away in expensive litigation, were saved; the uncertainty of the final outcome was removed; and all future taxes will be paid promptly, so as to be available for expenditure during the current year. For these and other reasons, it is submitted, therefore, that the Government's action in the premises was

wise and prudent, and such as any well-advised litigant would have taken under similar circumstances. The Government are entitled to credit for originating this system of taxation, and their sensible course in dealing with the litigation which arose out of it, only shows that they may be trusted to protect the best interests of the people.

The determined stand taken by the Government in this case was notice to the world that this country was being governed in the interests of the people, and that corporations, great or small, could not expect to be treated with more deference, or upon more advantageous terms, than the humblest settler. The lesson taught by the Hudson's Bay case was a salutary one. The settlement of their taxes was promptly followed by the payment by a number of other Companies of the amounts due by them, the total revenue last year received as a direct result of the suit being the sum of \$40,000.

### The C. P. R. Taxes

The Hudson's Bay Company was not the only corporation with which the Government has come in conflict in enforcing its legislation. There is another Company doing business in the Territories, a giant octopus, whose long and sinewy tentacles hold in their tight embrace great areas of our choicest lands—The Canadian Pacific Railway Company. This Company, with its vast resources and varied interests, wields a power in the land second to no agency other than perhaps the Parliament of Canada. It was a bold move, therefore, when Mr. Haultain's Government dared to "beard the lion in its den," by inviting that Company to pay taxes on its lands. The Company claimed, under the exemption clauses of the Canadian Pacific Railway Act, that their lands were exempt from taxation, which was undoubtedly true as regards their unsold lands, the title for which remained in the Crown pending the issue of the patents. The Territorial Government claimed, however, that such lands became liable for taxation the moment they were sold under the usual agreement for sale, which extends the payments over a term of years. Such lands were accordingly assessed in the usual way, and when the time arrived for the forfeiture under the Ordinance, the

C. P. R. came to the conclusion that the Government meant business, and asked for a stay of proceedings pending a settlement of the question without recourse to law. The question was subsequently amicably arranged, the Company paying \$16,000 in cash last year, into the Local Improvement funds; and a clause has since been inserted in all sale agreements which requires the purchaser to pay all Local Improvement taxes assessed against the property from year to year, in default of which the Company may pay them and charge the amount against the lands. Owing to the unprecedented sale of railway lands to the rush of incoming settlers, vast areas will be brought under taxation which have hitherto paid nothing towards our revenues.

Settlers and others who are developing their holdings by the sweat of their brow, therefore, have the satisfaction of knowing that there are no drones in the hive, but that all and sundry—the C. P. R., the Hudson's Bay Co., and all other Companies and individuals are upon the same basis as regards taxation, each paying an equitable share in defraying the cost of developing this great western land.

## Local Improvements

The principle of establishing Large and Small Local Improvement Districts, originated with the present administration, and that it has proved a cheap and effective method of taxation, generally acceptable to the people, is amply proved by experience. The special conditions existing in the West called for some special system of taxation suited to our circumstances. The extensive land areas, the sparsely settled districts, the non-resident owners, and the low land values, presented a combination of circumstances with which it was difficult to deal in establishing a system of taxation. And yet some system was necessary. The annual grants from the Federal treasury were found to be wholly inadequate to meet the large and constantly growing needs of the country; and it became necessary, in order to supplement those revenues, that the settlers and other property owners should be invited to contribute a just share towards raising the additional funds. The adoption of the principle of assessment

on land values was surrounded by so many difficulties, particularly in regard to the matter of collection, that it was deemed wise to apply the principle of a tax based on acreage alone, without regard to values. The Local Improvement Ordinance accordingly superceded the old Statute Labor Ordinance, in 1898, and by means of its cheap and simple machinery, has become justly popular amongst the people. The Ordinance has been amended and perfected, until now we have a perfectly working system, suited to our conditions, and free from the heavy expense of administration which proves such a financial burden to people of the older Provinces and Manitoba, where the same class of work is carried on under the municipal system. The number of Small Districts now erected is 461, in which last year the sum of of \$26,615 was collected in cash, and 53,171 days' labor commuted. Valuing the latter at \$1.25 per day, brings the approximate revenue collected up to \$92,114,—a very substantial supplement to the revenue received from Federal sources, and one which enables a vast amount of development work to be done. During the past year, 1065 miles of roads have been graded and cleared; 940 miles of fire-guards ploughed, and 464 bridges built and repaired from the proceeds of this taxation. The efficiency of the Local Improvement System may be fairly judged by a comparison with the conditions as they exist under the municipal system in Manitoba. In that Province the taxation runs from \$10 to \$20 per quarter section, costing 20 per cent of the revenue received for the administration involved in the collection and disbursement. In the Territories, the taxation, including school taxes, does not exceed \$6 per quarter section, and the cost of administration is reduced to 2 1-5 per cent.; yet it cannot be justly claimed that the highways in Manitoba are better maintained than they are in the Territories. These figures speak for themselves, and bear eloquent tribute to the efficiency and cheapness of the Local Improvement System, as against the cumbrous and expensive municipal system which prevails in Manitoba.

Aside from the question of cheapness and efficiency, however, there are other features of this system which commend themselves to the public. There being no municipal system, no bonded or debenture indebtedness can be created, and the

amounts available for expenditure each year are limited to the amounts collected in taxation. What and where the work is to be done, is determined by the majority of the residents, and if the assessment of \$2 is not sufficient to meet the requirements of the District, the residents may get authority to raise the assessment, as has been done in several cases to \$3 or \$5 per quarter section.

The same underlying principles apply to the Large Districts as to the Small Districts, except that in the former, no commutation of statute labor is allowed, the tax being payable in cash to the Public Works Department, by whom it is disbursed in the particular District. This system is found to work better than when commutation of statute labor is allowed, as experience, not only in the Territories, but in the older Provinces—Ontario particularly—clearly proves that better work can be done, at less expense, by cash contract work, under competent foremen, than under the go-as-you-please statute labor system. The revenues collected in the Large Districts in 1901 amounted to \$61,780, the cost of administering the same being only 5 per cent. Through the pertinacity of the Government in insisting upon the large land-owning corporations paying the same rate of taxation as the settler, everyone is alike interested in making the Local Improvement system a success, and it is satisfactory to note that a general desire is prevalent amongst the people to carry out this idea.

The Government which inaugurated this system, perfected it, and carried it out to such a successful conclusion, in spite of innumerable difficulties, is naturally entitled to credit for such a desirable measure in the public interest.

## Incorporating Villages

The Village Ordinance was introduced in view of the incongruities and friction caused by small centres of population forming parts of Local Improvement Districts, in which the rural voting strength outnumbered that in the more thickly settled parts. The machinery provided for the formation and government of villages, has proved simple and efficacious, and permits of the improvement of streets and the providing of water supply and sanitary arrangements, and such other

conditions as are necessary for the comfort and safety of the residents. There are now 39 organized villages in the Territories.

## **Hail Insurance**

The heavy losses by hail storms, suffered by the farmers during recent years, led to the organization in Manitoba and the Territories, of small Companies for the purpose of carrying on a hail insurance business. One of these Companies contracted for considerable business in the Territories, and when the time came for payment of the losses, there were no funds available. The imposition was so barefaced that the Government deemed it its duty to step in and provide a proper system of hail insurance which would guarantee to the grain grower unquestioned security and protection. A Bill was accordingly framed and submitted to the House at the Session of 1901, coming into force on January 1st, 1902. As hail insurance is practically in its experimental stage, no statistics are available upon which to base a calculation as to probable losses, etc.; and as time goes on, the present system will doubtless be perfected as may be necessary. It is the intention of the Bill to provide this protection against loss at actual cost, and the rates have been so fixed as to bring the insurance within easy reach of all who desire it. The adjustment of losses will be fair and equitable, and the credit of the country ensures prompt payments. It is generally conceded that the Government is deserving of credit for having stepped into the breach, and, by its action, prevented the public from being imposed upon by irresponsible and scheming adventurers.

## **Joint Stock Companies**

During the Session of 1901, the Government submitted a Bill governing the formation of Joint Stock Companies in the Territories. The Bill has been adapted from the English law, with such amendments as have been deemed necessary to fit it to our special circumstances. The main feature is its extreme simplicity, which permits of Companies being formed for business purposes, without accompanying red-tape or in-

cidental delay. At the same time, the interests of the public are protected in the matter of restrictions in the case of larger Companies, whose shares are offered to the public for subscription.

## **Foreign Companies**

Companies formed under Dominion or Provincial laws are required to take out a license before doing business in the Territories, in pursuance of the Foreign Companies Ordinance, passed at the Session of 1901. The Government considered it advisable, for the protection of the public, to exercise some supervision over Foreign Companies which extended their business transactions into the Territories. They are now required to take out a license and to furnish certain information as to their organization and status, before doing business here. They are also required to have a representative in the Territories, upon whom it is competent to serve papers in case of litigation arising. The revenues of the Territories have been supplemented to the extent of \$10,000 during the past year from this source.

## **License Laws**

The liquor license laws of the Territories have been amended from time to time, and are now considered to be very efficiently administered. The enforcement of such laws is at all times a difficult problem to deal with, but competent observers declare that our license laws are better observed than similar laws are in the Eastern Provinces. The Territories being a land of great distances, and a large part of it sparsely settled, the difficulty of enforcement is thereby increased; but the facts speak for themselves, and the facts are that our efficient liquor laws are rigidly enforced.

## **Protection from Steam Boilers**

An important item of legislation was the Government's Bill regarding Steam Boilers, which provides for annual inspection of all boilers operated in the Territories; and also that those operating them must be engineers holding proper

certificates of efficiency. It is evident that with the hundreds of steam boilers being operated in this country, particularly through the threshing season, great danger to life might ensue if some precautionary means were not taken to avoid the possibility of explosion, caused either by defect of boiler, or inefficiency of those operating them. The Government realized that the public should be protected, and introduced the Steam Boilers Ordinance, which provides for inspection annually, and for proper certificates to be held by engineers operating them.

It is noted that the safeguards thrown around the operation of steam boilers in the Territories, are considered of such merit elsewhere in Canada, that the Stationary Engineers of Ontario have petitioned the Legislature to pass similar legislation there. In British Columbia a law based on the Territorial Ordinance has been passed and is being strictly enforced.

## Public Works

The Public Works Department of the Territorial Government is the public pulse of the country; its workings are a sure indication of what the country is doing. If there is expansion in business and growth in population, the effect is instantly reflected in the demand for public improvements and increased facilities to enable the people to carry on their business. Every department of work administered by this Department, is effected by the country's advancement; and it is patent to all that we are now experiencing a period of exceptional growth and development, the result being to almost double the work of the Department. The Government has had to adopt a move-on policy to keep pace with the times. The best evidence that the Government has proved equal to the occasion, is a statement of the facts. This is practically a new country, into which immigration is swarming at an unprecedented rate; and yet the public facilities have been well maintained; new roads have been constructed, radiating in every direction; bridges at convenient points have been



erected; and the whole country administered in such a way as to reflect the greatest credit upon this, the greatest spending Department of the public service. Great problems, involving many fine points of public policy, have necessarily been encountered in performing this service, but the Department has so successfully dealt with them that our transportation facilities, so far as roads and bridges are concerned, are giving reasonable satisfaction,—and at a rate of taxation much lower than that prevailing in the older Provinces of Canada.

During what may be termed the embryonic state of the Territories, from 1877 to 1892, the public works were administered by the Lieutenant-Governor, representing the Department of Interior at Ottawa, and no record is available of what was accomplished during that period. For the succeeding five years, the appropriation for public works was divided equally amongst the constituencies, and was expended through the local representatives in the Assembly,—a system which was not attended by the best results. In 1897 the Department was created, and since that time our public service has been administered along business lines and under a system of management well fitted to our special conditions. The great interests administered by this Department are so many and so varied, that space will not permit of more than a brief reference to some of them.

## **Local Improvement Districts**

This branch of the Department comes more directly into touch with the people than any other, as by means of the Large and Small Districts, the taxes contributed by the people themselves are collected and disbursed. The great development work being accomplished, has already been referred to in considering the working of the Local Improvement Ordinance.

## **Cost of Administration**

As indicative of the volume of the business done by the Department, it is noted that 90,495 communications were dealt with during 1901, an average of 294 daily, and an increase over the previous year of over 50 per cent.

The total amount expended by the Department in 1901 was \$325,258, at the low cost of administration and supervision of 3.8 per cent. This is an increase of \$113,987 over the previous year, which is indicative of the growth of public business. The percentage of cost for supervision and inspection of works requiring the same, is 2.16 per cent.

## **Centralization.**

The system of centralisation in vogue has been at times called in question, but the low cost of administration and supervision (3.8 per cent.) referred to above, is an incontrovertible argument in its favor. The cost of administering the municipal machine in operation in other parts of Canada, is fully three times as great as in the Territories, and it is clear that large sums of money are wasted under the municipal system, which, in the Territories, are available for actual works.

## **Surveys—Expropriation**

The Dominion Lands system of surveys, originally applied to the West, has resulted in the running of arbitrary road allowances through sloughs and places where it is impossible to stick to surveyed lines; and a great deal of difficulty has resulted in deviating these road allowances so as to permit of roadways being built. During 1901, 187 surveys were required to be made, the new roadways crossing at least 1,000 quarter sections, the land for which is expropriated under the powers given by the Ordinance of 1901. It is unfortunate in some cases that lands have to be expropriated for this purpose, but roadways have to be provided to permit of transportation, and the only way to provide them is to locate them on new lines. In such cases, it is the earnest desire of the Government to pay a liberal compensation; and as evidence that their action in this regard has been fair and just, it is noted that of the 1350 cases finally disposed of in 1901, only 59 of them—or about 4 per cent.—declined to accept the compensation offered.

## Bridges

The sum of \$33,082 was spent on repairs to bridges during 1901,—most of them wooden structures,—and \$69,296 was spent on new structures. The policy of the Department has been to put in steel superstructures wherever possible, so as to extend the life of the bridge. There are now 1300 bridges in the Territories, of which 50 are permanent steel works.

## Roads and Drainage

The public should realize that Governments cannot do impossible things, and cannot, for instance, build hard, permanent roadways in a country where there is only earth to enter into the construction. Intelligent grading and drainage will provide good roads in good weather, but there are times in each year when "mud" roads will break up and become almost impassable; and the public should bear this in mind when considering the strenuous efforts put forth by the Department to improve the main roads leading to market centres. As a rule, wet seasons produce good crops—and bad roads; and the combination of these two conditions last fall made the increased transportation very irksome. Last year, \$35,091 was spent in road improvements, in addition to the substantial works undertaken by the Local Improvement Districts.

Closely allied with the question of Road Improvements, is the matter of drainage of areas to permit of roads being built and lands being reclaimed for cultivation. Important legislation was introduced during the Session of 1901 to provide for such a system of drainage, and as the country settles up and develops, the usefulness of such legislation will become more apparent. This subject of drainage has caused endless litigation in Ontario, which, it is hoped, will be obviated here, owing to the simplicity of our system.

## Fireguards

For many years the recurring prairie fires have been a menace to life and property in many parts of the Territories. Year after year fires rage over great areas of country, carry-

ing in their wake death and destruction. It has been the earnest endeavor of the Government for several years to afford some means of protection by way of fireguards, and about 1000 miles have been constructed yearly to intersect the country in different directions. Notwithstanding this network of precautions, three devastating fires swept the western country last year and destroyed thousands of tons of hay, as well as buildings and live stock. As these three fires started from the sparks of railway locomotives, the Government renewed their representations, frequently made before, to the Canadian Pacific Railway Company, with a view to urging them to set their fireguards 400 feet from the track, and doubling the width of them; and offered to assist in their maintenance, once the railway company constructed them. The Company, however, declined to accede to the Government's request, though they must surely be standing in their own light in allowing this recurring devastation to continue unchecked. The Government feels that no Company should be allowed to carry a torch throughout the land to cause ruin and loss to the settler, and the suggestion has been made in the report of the Department in 1900 that legislation be secured to compel the Company to so improve their system of fireguards that this cause of so much loss may be removed.

## Providing Water Supply

A decided move in the interest of the people was made when the Department inaugurated the system of well-boring for the determination of a water supply for domestic purposes, in various parts of the country. For many years a doubt existed as to some portions of the country being fit for settlement, owing to the idea, prevalent at the time, that there was no water to be found. In many districts water could only be reached at great depths, and the necessary experimental work to determine it was too expensive for the settler to undertake. The Government, therefore, came to his relief, and organized a number of well-boring outfits, of different capacities, and sent them out into different parts of the country. The result has been more than satisfactory, alike to the Government and the people, for it has solved the water

supply question. This fact having been determined, settlement has followed in many districts which would otherwise have taken years to people; the lands increased in value in consequence; and there are to-day prosperous settlements, having abundance of water, which some years ago were considered dry and uninviting. Last year 20 well-borers were in operation.

## Agriculture

Where does the farmer come in ?

The Territories being essentially an agricultural area, peopled for the most part by those engaged in agricultural pursuits, this question naturally arises when reviewing what the Government has done for the people who elect them. It is a poor policy to overlook the farmer, as some Governments do, during the interim between elections; and then beslobber them with praise when their votes are wanted. The Haultain Administration does not appeal to the farmers on generalities, but is prepared to show by honest, practical results, that they are doing a great work on behalf of the agriculturists of this country. Any fair-minded man who has taken the trouble to follow the course pursued by the Agricultural Department, cannot help but admit that its duties have been well done. The work of all the Departments, more or less, affect the tiller of the soil, but his own Department,—the "Farmers' Department,"—goes a step further and takes a direct interest in his daily work. Although our limited revenues do not admit of large outlays for Agricultural Colleges, Experimental Farms, etc., there are plenty of avenues of usefulness which open up to a Department desirous of doing its duty. In the early stage of the Department, and before its enormous scope became apparent, it was seriously urged by some that in view of the comparatively small sum expended by the Department, the work could be administered by one of the other Departments, and thus a saving be effected. Fortunately, the Administration was too far-sighted to give effect to such a suggestion. The policy of tagging what ought to be one of

the most important departments of the service on to another department, more or less overworked, did not commend itself to the Government, who considered that the farmer and rancher were entitled to proper representation in the Ministry, and to the undivided services of the best available talent.

During the short time it has been in existence, the Department of Agriculture has justified its creation many times over. Not only has it fostered our agricultural interests and pointed out new and profitable avenues of industry, but it has taken the lead in organizing the producers into associations, so that their influence, whenever exerted, is effective in securing concessions and rights which otherwise might not be obtained. When a wheat blockade was on, it encouraged the grain growers to unite for protection; when horse and cattle breeders felt that organization was necessary to increase their usefulness and profit, the Department not only assisted them, but took the initiative; when high freight rates prohibited the importation of individual pure-bred sires, the Department brought them in at nominal rates; when damaged grain was plentiful, permitting the profitable production of pork, the Department brought in carloads of hogs from the east to consume it. And so, in an hundred and one ways, too numerous to mention, the Department has assisted the farmers and producers of live stock. The total vote for agriculture in 1901 was about \$20,000, including grants to Agricultural Societies. The total revenue collected by the Department was in the neighborhood of \$4,000, or 20 per cent. of its ordinary expenditure. It will, therefore, be seen that the Department largely pays its own way.

### General Departmental Work

Space will not permit more than a passing reference to some of the many interests looked after by this Department, such as the collection of crop and other statistics, the administration of brands, the supervision of the public health, hospitals, Agricultural Societies, Farmers' Institutes, etc. In the Provinces of Canada, the municipal system of township and county councils exists, by means of which many of the interests are managed that are administered in the Territories

by this Department, which handles some twenty different branches of work. In Manitoba, only 8 of them are a charge upon the Department of Agriculture; and in Ontario, only 7. It will therefore be seen that the Territorial Department, besides exercising supervision over agricultural matters, does most of the work entrusted to the municipal organisations in the Provinces; thus saving the farmers the large cost of supporting the expensive municipal machine.

## The Wheat Blockade

It is not necessary here to recount the causes which led up to the serious blockade of wheat shipments, which has existed throughout the grain-growing belt of the Territories during the past season. Everybody is familiar with the subject, and many know from hard-earned experience the disastrous results which ensued by reason of it. Owing to the wet season, which followed the cutting of the phenomenal crop, and the delay in threshing, the movement of grain did not commence until on in October, and as lake navigation closed on the 5th of December, there remained only about six weeks in which to move the fifty million bushel crop in Manitoba and the Territories. Our transportation facilities were wholly incapable of coping with the situation, the natural result being that all terminal and local elevators rapidly filled up, and then followed the complete tie-up of the wheat market. As long as the railway company was moving grain, it appeared useless to approach them with a suggestion of shipments by alternative routes. However, on the first signs of a tie-up, a meeting of grain growers of the Indian Head district was held, with a view to forming a Grain Growers' Association, which would extend its branches throughout the grain-growing portion of the Territories. The Department of Agriculture immediately offered its co-operation by the attendance at the initial meeting, on January 7th, of the Deputy Commissioner, who assisted in framing a Constitution and By-laws. The organization meeting followed on February 12th, when Hon. Mr. Bulyea, the Commissioner, attended,—not as a delegate, but in his official capacity, to lend the weight of his position to the proceedings, and to

endeavor to bring about a change in the situation. During the afternoon session, Mr. Bulyea made a strong speech, in which he said (Vidette report):

"In reference to the Department assisting the organisation, *the matter was carefully considered*, and he had concluded that it would be a mistake to allow their representative at the Farmers' Institute meetings the very short time that would be available to him. The better plan would be to hold separate meetings to organize the grain growers, and consider that subject by itself, and the Department would assist, provided some systematic series of meetings was adopted. \* \* *His Department was working with the Winnipeg grain board to find an outlet for the wheat.* A great many settlers are coming into Northern Alberta over the "Soo" line, and the cars are going back empty. He could not see why some pressure could not be brought upon the C. P. R. to make a rate to allow shipment of wheat over that line to Duluth. There was now available storage there for ten million bushels. This would relieve the blockade considerably."

It will therefore be seen that the Department had already been working on the case before the Grain Growers' Association was organized, and that strong pressure was being brought to bear by the Department and the Commissioner, backed up by the Grain Exchange of Winnipeg, to secure some relief from the blockade. The report continues:

"If the resolutions were passed by such a representative meeting as this, it would *strengthen the hands of the Government in pressing the matter* on the attention of the Company. \* \* \* He did not think the resolution could be made too strong. He knew that strong pressure was being brought to bear by the Winnipeg Board of Trade, and the grain men were just as anxious about it. If the resolution was passed, and if this meeting can help in getting the wheat shipped out of the country, the result will do far more to justify the existence of such an institution than anything else. \* \* Mr. Bulyea urged immediate action, as the matter was now under consideration at Winnipeg. A statement should be prepared, showing how much grain was in the



country, much of which would be spoilt if not moved out before spring."

The report continues:

"On motion, Messrs. Bulyea, Brown, Snow and the Chairman were appointed a committee to draft a statement to submit to the C. P. R. and to lay before the Government. Messrs. Bulyea and Snow were appointed a deputation to go to Winnipeg to urge the matter on the attention of the Railway Company.

On motion, the offer of the Territorial Department of Agriculture to assist in the expense of organizing branch associations was accepted, and a systematic series of meetings will be submitted to the Department for approval."

In pursuance of the above resolution, Mr. Bulyea prepared a statement to the C. P. R. authorities, and in company with the delegate of the Association, Mr. Snow, proceeded to Winnipeg, and in conjunction with the Grain Exchange, urged his suggestion as to shipping by the "Soo" line. After several interviews and innumerable subsequent letters and telegrams, Mr. Bulyea had the satisfaction of seeing his suggestion adopted by the Company, and immediate relief resulted.

It is only fair to acknowledge the great assistance rendered by the Grain Growers' Association and the Winnipeg Grain Exchange in forcing the hand of the Company; but the fact remains, and cannot be successfully refuted, as the above newspaper reports prove, that it was Mr. Bulyea who first made the suggestion to ship by the "Soo" line; that he urged it strongly in his speech before the Association; and while the Association, and others, loyally seconded his efforts, he led the van in demanding justice from the Company, for the grain growers of the Territories. The relief of the blockade put thousands of dollars into the pockets of the producers, and in apportioning the credit therefor, the untiring efforts of the Commissioner of Agriculture should not be lost sight of. "The Nor'-West Farmer," of Winnipeg, a leading agricultural paper, beyond the pale of political preferences in the Territories, comments editorially upon the subject, as follows:

"So intense had the strain become that the Territorial Government came forward with an offer to defray part of the expense of the Indian Head meeting, and Commissioner of Agriculture Bulyea was a leading spirit in the movement, handling the subject with ability, and doing all he could to promote the interests of the people. Backed by the weight of influence of that meeting, he came down, along with a farmer delegate to Winnipeg, and used such pressure on the C. P. R. authorities that they reluctantly arranged to secure all the available cars they could borrow from the " Soo " line and Great Northern, thus forwarding to Duluth the wheat they could themselves neither carry nor store. In this emergency Mr. Bulyea has proved himself the man for the hour, and the value of his work is realized by the people for whom he acts. We have in this organization about the first example, in the West, at least, of a government, alive to the needs of the hour and stepping into the breach. There is a good deal more in that than some people now appear to see. Summer friends and fair weather lovers are well enough in their way. But a Government that buckles down to work and shows sound business faculty in the work it does, is likely to win more love in the next election than the kind of people who look over the fence on pleasant days and want to offer the young lady a nosegay."

## Organizing Stock Growers

Believing that the community principle would be beneficial to the Stock Growers of the Territories, the Department initiated the idea of the formation of the Pure-Bred Cattle Breeders' Association and the Horse Breeders' Association. These Associations are now doing a great work in the development of the horse and cattle industry, and are assisted in their work by Departmental grants of funds. The Department has now in hand the formation of the sheep breeders into an Association along the same lines. Under the auspices of these Associations, spring sales are held annually, the Department undertaking the cost of transporting pure-bred stock to the sale, which is held at Calgary; and deliver purchases free of charge for transport to the buyers' nearest railway point. This removes the difficulty of prohibitive freight rates, and enables

the breeder to sell, at the highest prices, stock that he would otherwise find it difficult to dispose of. The Territories afford equally as good opportunities for breeding high-grade stock, as Manitoba and Ontario; and the aim of the Department is to encourage our breeders, and keep the money in the country, by providing a high-priced market in which to sell. These annual sales also permit of change of sires without cost of transport—a great consideration to many breeders.

### **Importation of Breeding Stock**

Until our pure-bred stock production gets upon a more established basis, it will be necessary to import sires from Ontario; but the heavy freight rates on individual purchases have proved a serious obstacle in the way. The Department has solved the difficulty, however, by engaging cars in the East, and delivering to the North-West breeder, pure-bred sires at a nominal transportation cost of \$5 per head, to cover cost of feed and attendance. The plan is working well, and many breeders are availing themselves of the privilege. Arrangements have been completed this year to extend the operations in this regard to include registered stallions, and pure-bred female stock, in order to raise the standard of our live stock. The value of these arrangements will appeal to every stock-raiser in the country.

### **Encouraging Swine Production.**

The fact that sufficient pork is not raised in the Territories to fill the local demand, notwithstanding the tremendous opportunities for successful development of this industry, led the Department to annually import from the east carloads of high-grade sows, and pure-bred boars, which have been disposed of along the Calgary and Edmonton and Prince Albert branches, by public auction. This has served the dual purpose of encouraging the production of pork, and at the same time the means of consuming great quantities of damaged grain, unfit for market, thus converting what would have been a serious loss, into a substantial profit.

## Threshing Outfits and Harvest Help

The phenomenal crop of 1901 caught the farmers wholly unprepared with facilities for threshing the grain, millions of bushels being in danger of ruin in the approaching winter season. To avert a calamity, some relief to the situation became necessary. Through the efforts of the Department, assisted by the Winnipeg Board of Trade, a half-rate on threshing outfits from Manitoba, was secured from the Canadian Pacific Railway, and a sufficient number of machines was brought in to save the situation. Arrangements were also made for securing and placing an army of Eastern harvest help to assist in removing the great crop of last year.

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## Education

If there is one subject more than another which has deserved, and received, the fostering care of the Government, it is the education of the rising generation and developing their minds so that they may become intelligent and useful members of society. The difficulties which naturally bar the way to a complete educational system in a sparsely settled country, such as ours, have only proved stepping stones to success, for the Education Department has the proud satisfaction of knowing that we have right here in this country of great distances, the foundation of an educational system second to none in Canada. There are various causes which have contributed to this, two of which may be mentioned: First, the high standard set for our teachers, which has had a consequential effect of raising the standard of the pupils; and, secondly, the large grants made by the Department to assist in the maintenance of rural and urban schools; these grants enabling schools in scattered districts to thrive, which, but for the assistance given by the Department, would have ceased to exist. The growth of our school system has proved a true index to the phenomenal expansion in the population of the country; and its growth has never been so marked as in the past few years. In 1900 there were 492 schools in operation, 20,343 pupils, 592 teachers, and the total grants

earned from the Department amounted to \$163,014. In 1901, there were 564 schools, 23,837 pupils, 681 teachers, and the Departmental grants, \$185,721.56. When one considers that the total Federal grant to the Territories last year was \$472,302, of which \$162,215 was expended in grants to School Districts, it will at once be apparent how important the subject of education is in the judgment of the Government. Eighty-nine new schools were brought into existence last year, at an average grant of about \$260 per school. It is interesting to note the average grants per diem paid to schools in the Territories, as compared with the grants paid in the older Provinces. Last year, in the Territories, we paid \$1.68 per diem for days schools were open; in Manitoba the grant was 65 cents; in Nova Scotia, 30 cents; New Brunswick, 45 cents, and Prince Edward Island, \$1.10—these figures speak eloquently for the efforts of the Government to provide education for the youth of the country. The efficiency of the schools, and the substantial grants to assist them, have proved a drawing card to attract immigration into the country; which immigration brings a corresponding advantage in the shape of additional population to share the burdens imposed upon the people of supplementing the Departmental grants.

Some objection has been raised to the policy of the Department in appointing Official Auditors to audit all school accounts, but the Government feels that it is only due to the public that the large sum of \$600,000 annually spent in education, of which the Government contributes such a large proportion, should be subjected to some system of official audit; and while no doubt, in some localities, efficient auditors could be secured by the local school boards, in many others such would not be available, and the Department has, accordingly, inaugurated a Government system of audit, which has been found to work well.

It is quite probable that the large grants presently paid to schools will have to be curtailed, to some extent, as time goes on; but the contemplated reduction will apply principally to schools in wealthy and prosperous districts, where assistance is not a necessity, and will not affect the rural schools in outlying districts, which are struggling for existence.

## Provincial Autonomy

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The present status of Provincial Autonomy has largely developed into a political issue, which will have to be passed upon by the electors in the pending election. That phase of the subject has already been dealt with in the opening chapter of this pamphlet. However, it may be interesting to dip a little deeper into the question, from the practical side of it, and consider briefly the terms which were demanded by the Administration as the basis upon which the proposed change was suggested. The correspondence laid on the table of the House during the Session of 1902, tells the whole story of the negotiations which led up to the conferences, and the submission of the Territorial brief in writing; and also shows the easy manner in which the Federal Government shelves the whole subject, for the present at least.

The policy of the Government on this question has been expounded frequently by the Members of the Administration, in the Legislative Assembly and upon the public platform. While negotiations pending between governments are usually surrounded by a certain degree of reserve, there could be no mistaking the stand our Administration was taking. The Premier, in his speech at Indian Head, in December, 1901, went very fully into the details of what he considered to be our rights in the premises; and from the wide publication of his words, the people of the Territories are no doubt well informed as to his position. Now that the correspondence has been made public, however, the veil of secrecy has been raised, and we are able to examine the whole case. On December 7th, 1901, the Territorial Government reduced to writing a statement from the Western point of view, which first deals with the conditions as they now exist in the Territories, and then proceeds to suggest a draft Bill, which the Dominion Government is requested to pass in order to effect the proposed change.

### Our Present Position

The "case" opens by pointing out that owing to the rapid increase in population, as a result of the active immigration

propaganda undertaken by the Department of Interior, the means at the command of the Local Government were wholly inadequate to meet the pressing necessities of these settlers, for roads, bridges and other improvements necessary to permit the carrying on of their ordinary avocations. The need for these permanent improvements, is patent to everyone. The Government had engaged in an ineffectual struggle to keep pace with the growing needs, with the funds presently available; but the advancement of the country had become so great, that enlarged powers and increased revenue were absolutely necessary. The growth of our School system might be taken as a true index of this growth. From 1897 to 1898 the number of new school districts had increased only 23; whereas from 1900 to 1901, 73 new districts were created and 35 more were in process of formation. The people themselves had supplemented the revenue by means of School and Local Improvement taxes, to increase which, in the present embryo stage of development, would be a serious handicap to the settler, and would have a detrimental effect upon the immigration policy of the Federal Government. Not only that, but it would be manifestly unfair to tax the present generation for the building of permanent works, to be used in years to come by people who contributed nothing to the cost. Borrowing powers were urgently needed to spread the payment for such permanent improvements over a term of years, so that those who used them would pay for the privilege. Then, again, the early settlers of the West should not be treated upon a different basis than the pioneers of the older Provinces. At the time of Confederation, the older Provinces had a debt of \$93,000,000, incurred for public works and improvements not represented by assets, all of which was assumed by the Dominion, and the people of the Territories are to-day paying their share of that debt. If the Territories were treated in a similar manner, the cost of the work of developing the resources of this country would be borne by the Dominion also. How had the Federal Government met our request for increased and adequate revenues, to keep pace with the expansion of the country? The experience of 1901 may be cited as a case in point. Carefully prepared estimates showed that our absolute needs required a grant of \$600,000.

but our request was met with a grant of \$357,900. As a result, the whole country has had to mark time. Bridges, roads, ferries, etc., could not be constructed, and the settlers thereby suffered great hardship and inconvenience. Our prescribed powers do not admit of our raising our own revenues; we can only look to the Parliament of Canada for what we are to receive, and Parliament has not thus far responded to our appeal. But even if the Federal Government increased our grants for the present, the question immediately arose: Would those revenues be increased from time to time, in keeping with the growth of the country. If so, well and good. The Legislative Assembly, however, had suggested that the time had arrived when a change was necessary, and had asked that "inquiries be made and accounts taken," with a view to establishing a new Province in the West. The Administration, therefore, submitted a Draft Bill, which embodied their views as to the terms upon which Provincial Institutions should be established.

### **The Draft Bill**

Section 1 limits the boundaries of the new Provincial areas to extend from the American boundary to the 57th parallel of latitude, and from the western boundary of Manitoba to the eastern boundary of British Columbia. The proposed area comprises 404,000 square miles, a large part of the northern portion of which, owing to situation or physical features, contains a very small and scattered population. The Province of British Columbia comprises 383,000 square miles, and Quebec, 347,000 square miles; so that the proposed new Province will not be out of proportion to the other Provinces of Canada, as regards area.

Section 2 provides that the British North America Act shall apply to the proposed new Province, as it does to the Provinces of Canada.

Section 3 provides for representation in the Senate of Canada, by 5 members, to be increased in the ratio of one member for each additional increase of 50,000 people, until there are 20 members.

Section 4 provides for representation in the House of Com-



mons, by 10 members, to be increased in accordance with the result of each decennial census. It is submitted that while we are now only entitled to 6 members, we will be entitled to 10, or more members, by the time the next decennial census is taken.

Section 5 provides for an Executive Council, composed of such members as the Lieutenant-Governor may deem fit.

Section 6 continues all the powers at present held by the Lieutenant-Governor.

Sections 7 and 8 provide for the name of the Province and the location of the Capital, the latter of which is a matter of local concern, and is determined by the Legislative Assembly.

Section 9 continues the term of the current Legislature unless sooner dissolved by the Lieutenant-Governor.

Section 10 gives to the Province the title to all water in rivers, streams, lakes, ravines, etc., for irrigation purposes.

Section 11 continues the powers of the Province to deal with the subject of the importation of intoxicating liquors.

Section 12 provides for the appointment of Judges from the bar of the new Province, or from the bar of other Provinces where the laws as to property and civil rights are the same as ours.

Section 13 continues in force all present laws, and the constitution of all courts.

Section 14 continues in office all public officials.

Section 15 relates to the Great Seal of the Territories.

Section 16 provides that the Penitentiary of Manitoba shall continue to be the Penitentiary of the new Province.

Section 17 conserves the rights of the Hudson's Bay Company, as determined under the surrender of Rupert's Land.

## **Public Lands, Minerals, Timber, and Public Buildings**

Sections 18, 19, 20 and 21 provide that the new Province shall have and control all public lands, except those reserved for Indians or for homestead purposes, or lands earned by way of subsidies to Corporations. A strong argument is advanced in support of the claims to our lands and minerals. It

may be that the Federal Government will take the position that it would not be public policy to divest themselves of the ability, largely advertised abroad, to grant lands to settlers in pursuance of their immigration policy. If, however, those lands should be withheld from the Province—for the benefit of the Dominion at large—the opening up of the country will impose a burden on the people of the Territories too onerous to bear, and one which should rest where the benefits go.

Section 22 provides for certain annual financial grants to the new Province, as follows:

(a) For Government and Legislature, \$50,000.

(b) A per capita allowance of 80 cents per head on a population of 250,000, \$200,000,—to be increased every fifth year until our population aggregates the same as Ontario, viz., 1,396,000. It is pointed out that in Manitoba, the basis of the per capita grant is limited to a population of 400,000, which our Administration urges would be a very unfair principle to apply to the Territories.

Section 23 provides for the establishment of a Capital Account between the Federal and Provincial Governments, upon similar terms as were granted to Manitoba. The account is created by the Dominion paying 5 per cent. interest on a certain sum, to be determined by multiplying the population of the Province by 32.46, the population for the present being estimated at 250,000.

## Compensation for Lands

Section 24 provides for the payment to the Province of 5 cents per acre annually, for every acre of land granted by the Dominion, otherwise than for homesteads or in settlement of half-breed claims. A strong argument is submitted in support of this claim. It is pointed out that upwards of 40,000,000 acres of land have been granted in aid of railways in the West, of which only four are entirely within the Territories, the remainder being in Manitoba, or partly in Manitoba and partly in the Territories. While the Dominion has assisted these railways for the benefit of Canada at large, the land grants have been taken wholly from the western

country, which is in marked contrast to the action of the Dominion in assisting railways in the older Provinces of Canada, where assistance has been paid in cash bonuses amounting to \$166,000,000, of which the people of the Territories contribute their share equally with the people of the older Provinces. It is therefore submitted that the Territories, being thus deprived of their lands in order to aid in the construction of railways, have been treated upon a different basis than the older Provinces of Canada, where railway bonuses were assumed by the Dominion at large; and that, consequently, we are entitled to receive compensation for such lands as have been taken.

### **Removal of the C.P.R. Exemption**

In conclusion, the Territorial "case" demands that exemption from taxation of C. P. R. property in the Territories should be abolished.

### **The Federal Government's Reply**

On March 27th, 1902, Hon. Clifford Sifton, Minister of the Interior, replied to the representations of the Territorial Government, practically conveying the information that the whole matter had been shelved for the present. Copies of the correspondence are subjoined, as follows:

Ottawa, 27th March, 1902.

Dear Mr. Haultain:

Absence from Ottawa, due to ill-health, has prevented me from communicating with you on the subjects discussed by you and your Colleague, when here, respecting the financial and constitutional status of the North-West Territories. I presume, however, that you would have gathered our views from the expressions of opinion which took place during our interviews, and our conclusions will not, therefore, I trust, come in the way of a surprise.

It is the view of the Government that it will not be wise at the present time to pass legislation forming the North-West Territories into a Province or Provinces. Some of the

reasons leading to this view may be found in the fact that the population of the Territories is yet sparse; that the rapid increase in population now taking place will, in a short time, alter the conditions to be dealt with very materially; and that there is a considerable divergence of opinion respecting the question whether there should be one province only, or more than one province. Holding this view, therefore, it will not be necessary for me to discuss the details of the Draft Bill, which you presented as embodying your views.

Respecting the present financial requirements, the question of an increase in your subsidy is now receiving consideration, but the result cannot, as you are aware, be communicated until the estimates are brought before Parliament. This I have every reason to hope will take place in a very short time.

Believe me, dear Mr. Haultain,

Yours very truly,

(Sgd.) CLIFFORD SIFTON.

Hon. F. W. G. Haultain,

Regina, Assa.

## **Mr. Haultain's Vigorous Reply and Protest**

Regina, April 2, 1902.

*Dear Mr. Sifton.*

I beg to acknowledge the receipt of your letter of the 27th of March, conveying the decision of the Government with regard to the financial and constitutional questions which have been the subject of discussion during the past year and a half. So far from your conclusions not coming as a surprise, as you suggest, I must say quite frankly that the decision of the Government has come not only as a surprise, but as a deep disappointment as well. In your letter of the 21st of March, 1901, you say:

"I may say that I realise very fully the difficulties of the position in which the Government and Legislative Assembly of the North-West Territories is placed, and I admit that

"there is very much in the suggestions which are made in your letter and in the memorial regarding the necessity of a change in the constitutional and financial position of the Territories.

"Without at the present moment committing myself to any positive statement I am prepared to say that the time has arrived when the question of organizing the Territories on the Provincial basis ought to be the subject of full consideration. It would appear to me that the better way of bringing the matter to a more definite position would be to arrange for a conference upon the subject between the representatives of your Government and a Committee of Council representing the Federal Government."

Again on the fifth of April, 1901, you write:

"The latter portion of the session of Parliament here finds all the Members of the Government extremely busy, and it would be hopeless to expect from them that mature and careful consideration of the various and important subjects which will require to be debated and settled in connection with the establishment of the Territories as a Province or upon a Provincial basis. I think I shall therefore be compelled to ask you to defer the discussion until after Parliament has prorogued."

These opinions and the long delay that followed, in order to choose a convenient time for that "mature and careful consideration of the various and important subjects which will require to be debated and settled in connection with the establishment of the Territories as a Province or upon a Provincial basis," led us to suppose that when the subject was finally taken up it would be taken up with a view to immediate settlement. The written statements, which have been made by me, must have proved conclusively that the necessity for the change was a pressing one and that we had arrived at a point when our constitutional and financial position was not adequate to the proper performance of the duties devolving upon us. Recognising this state of affairs we have gone to the Dominion Government and have said: "If you cannot or will not deal with the questions which have arisen in the

Territories give us the powers and the income which would justly accompany those powers and allow us to work out our own salvation." To this you answer: "That it is the view of the Government that it will not be wise at the present time to pass legislation forming the North-West Territories into a Province or Provinces." One of the reasons given for this position is: "That the population of the Territories is sparse." I might point out that we have at least ten times the population of Manitoba when it was erected into a Province, and a larger population than that Province had so lately as 1891; a considerably larger population than the Province of Prince Edward Island and with the immigration of the present season a considerably larger population than the Province of British Columbia according to the late census. Another reason advanced is: "That the rapid increase in population now taking place will in a short time alter the conditions to be dealt with very materially." This rapid increase in population is one of the principal reasons why we are asking to be formed into a Province, in order that we may be able to deal with the new conditions that it brings about. The longer it goes on without the change the more aggravated the present difficulties will become.

With regard to a divergence of opinion as to one or more Provinces, I might say that that is a difficulty which will always exist and which any postponement of action will not remove.

I must also say on behalf of the North-West Government that after having been asked to meet a sub-committee of the Privy Council and to state our case not only verbally but in writing, it is extremely unsatisfactory that the Government has come to the conclusion, "it will not be necessary to discuss the details of the draft bill which embodied our views." This is a conclusion to the negotiations which have been held which we could hardly have expected considering the importance of the subject discussed and the formal manner in which the discussion has taken place.

We cannot but regret that the Government has not been able to recognize the urgent necessity for the change that has been asked and can only trust that as you have denied us the opportunity of helping ourselves you will be at least impressed

with the necessity and the duty, which is now yours, of meeting the pressing necessities of these rapidly developing Territories. While we may, in your opinion without inconvenience, mark time constitutionally, we cannot do without the transportation facilities, the roads, the bridges, the schools and the other improvements which our rapidly growing population imperatively requires, and at once. Whether we are made into a Province or not, our financial necessities are just as real, and in conclusion I can only trust that when the question of an increase to our subsidy is receiving consideration, more weight will be given to our representations in that respect than has been given to our requests for constitutional changes.

I am,

Yours, faithfully,

(Sgd.) F. W. G. HAULTAIN.

Honourable Clifford Sifton,

Minister of the Interior,

Ottawa, Ont.

## Unanimous Approval of the House

The above correspondence was laid on the table of the House during the late session, Mr. Haultain at the same time giving notice of the following resolution:

*"Whereas* the larger powers and income incidental to the Provincial status are urgently and imperatively required to aid the development of the Territories and to meet the pressing necessities of a large and rapidly increasing population;

*"Be It Resolved*, that this House regrets that the Federal Government has decided not to introduce legislation at the present Session of Parliament, with a view to granting provincial institutions to the Territories."

Upon the consideration of this motion, the whole subject came under review, and the opinion of the country, as expressed through the representatives, was taken upon it. It was natural to expect that any flaw in the Territorial "case," any claims that were possible to urge that were not urged, would have been pointed out by the Opposition critics. In such a wide question, involving such great interests, it would not have been surprising if combined wisdom had discovered a possible oversight, or a particular in which, perhaps, some improvement might have been made. But what do we find? Out of a House of 31 Members, including some of the brightest minds and keenest intellects in the country, no one even suggested a serious objection to the contents of the Government brief.

This is the best possible evidence of the ability of the Administration to cope with the question, and is a standing tribute to their capacity to govern and guide the destinies of the Territories through troubled waters to the haven of Provincial autonomy. The demands made for control of our lands, mines, and timber; for removal of the obnoxious exemptions to railway corporations; for adequate compensation for lands alienated; for increased representation in the Parliament of Canada—were confirmed at the hands of the people's representatives.

## Conclusion

The foregoing facts, figures and information are respectfully submitted to the electors for their consideration during the coming campaign, and if they serve to enlighten the people on the public affairs of the Territories, the mission of this little pamphlet has been fulfilled. As stated in opening, the Government of the North-West Territories is prepared to receive the verdict of the people upon their efforts to provide clean, economical and efficient management of their affairs. The die is cast, and upon their record they are prepared to stand or fall.



